

Senate Engrossed

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 38

SENATE BILL 1390

AN ACT

AMENDING SECTION 42-14403, ARIZONA REVISED STATUTES; RELATING TO CENTRALLY
ASSESSED PROPERTY VALUATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-14403, Arizona Revised Statutes, is amended to
3 read:

4 42-14403. Determining valuation; definitions

5 A. On or before August 31 of each year the department shall determine
6 the valuation as of January 1 of the property of all telecommunications
7 companies operating in this state at its full cash value. Real estate shall
8 be valued at market value, and personal property shall be valued on a unitary
9 basis at its historical cost less depreciation. IN ADDITION, THE TAXPAYER
10 MAY SUBMIT DOCUMENTATION SHOWING THE NEED FOR, AND THE DEPARTMENT SHALL
11 CONSIDER, AN ADDITIONAL ADJUSTMENT TO RECOGNIZE OBSOLESCENCE USING STANDARD
12 APPRAISAL METHODS AND TECHNIQUES.

13 B. For THE purposes of this section:

14 1. Depreciation is computed based on the tables adopted by the
15 department in its personal property manual in effect on January 1, 1993 for
16 the following categories:

17 (a) Buildings with a twenty-five year life.

18 (b) Cable with a fifteen year life.

19 (c) Telecommunications equipment with a five year life.

20 (d) Any other telecommunications property that is not included in
21 subdivisions (a), (b) and (c) with a seven year life.

22 ~~3.~~ 2. For cellular or other wireless telecommunications companies,
23 the ~~"taxable unit"~~ is the applicable metropolitan statistical area or rural
24 statistical area and does not include the value of any license that is issued
25 by the federal communications commission.

26 ~~2.~~ C. FOR THE PURPOSES OF THIS SECTION:

27 1. "Historical cost" means the original cost as reported on the
28 company's books and records.

29 2. "OBSOLESCENCE" MEANS A REDUCTION IN THE VALUE OF AN ASSET RESULTING
30 FROM FUNCTIONAL OR ECONOMIC OBSOLESCENCE.

~~APPROVED BY THE GOVERNOR MARCH 31, 2006.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2006.~~